

**71<sup>st</sup> MEETING**  
**OF THE**  
**MARYLAND HEALTH CARE COMMISSION**

**Tuesday, April 20, 2005**

**Minutes**

Chairman Salamon called the meeting to order at 1:05 p.m.

Commissioners present: Crofoot, Ginsburg, Lucht, Moffit, Moore, Nicolay, Pollak, Row, Toulson, and Wilensky

**ITEM 1.**

**Approval of the Minutes**

Chairman Salamon requested that a correction be made to the minutes of the March 22, 2005 meeting. The minutes should indicate that Commissioner Toulson was in attendance at the March 22, 2005 meeting. With that correction, Commissioner Crofoot made a motion to approve the minutes of the March 22, 2005 meeting of the Commission, which was seconded by Commissioner Row, and unanimously approved.

**ITEM 2.**

**Update on Commission Activities**

- Data Systems and Analysis
- Health Resources
- Performance and Benefits

Chairman Salamon asked Janet Ennis to brief the Commission on the Small Group Market process. Ms. Ennis provided an update on the process for the Comprehensive Standard Health Benefit Plan annual review that will take place over the next several months. Copies of the *Update* were available on the documents table and on the Commission's website at: <http://www.mhcc.state.md.us/mhccinfo/cmsnmtgs/updates/>.

**ITEM 3.**

**CERTIFICATE OF NEED (CON)**

- **Julia Manor Health Care: Transfer of 33 Comprehensive Care Beds, Docket No. 04-21-2148**

Chairman Salamon said that Julia Manor Health Care is seeking Certificate of Need approval to relocate 33 beds from Washington County Hospital to Julia Manor Health Care. He asked Susan Panek, Chief, Certificate of Need, to present the staff recommendation. Ms. Panek said that Julia Manor Health Care Center has requested approval to relocate 33 extended care facility beds from a post-acute care unit operated since the late 1980s at Washington County Hospital. She said that if the Commission approved the project, the licensed bed capacity of Julia Manor will increase from 97 to 130 beds. Ms. Panek said that the additional beds would not require renovation or new construction. Julia Manor's capital expenditure to accomplish this project would consist of approximately \$60,000 for movable equipment, \$2,000 contingency allowance, and \$33,000 acquisition price for the 33 beds. In addition, the project included \$20,000 in legal, consulting, and other administrative costs, for a total project cost of \$115,000. Commissioner Crofoot made a motion to approve the staff recommendation, which was seconded by Commissioner Row, and unanimously approved.

**ACTION: Julia Manor Health Care - Transfer of 33 Comprehensive Care Beds, Docket No. 04-21-2148, is hereby APPROVED.**

#### **ITEM 4.**

##### **ACTION: Certification of Electronic Health Networks**

Chairman Salamon asked Dr. David Sharp, Chief of EDI Programs & Payer Information Systems, to present this agenda item. Dr. Sharp said that staff had completed its review of MHCC certification documentation from SSI and recommended that the Commission certify it as an Electronic Health Network (EHN). He said that SSI met all requirements for certification. Commissioner Row made a motion that the Commission accept the staff recommendation, which was seconded by Commissioner Crofoot, and unanimously approved.

Dr. Sharp also completed the review of requirements for recertification documentation from Health Data Exchange. He said that Health Data Exchange has met all MHCC requirements for the last two years and staff recommended that the Commission approve the recertification. Commissioner Crofoot made a motion to approve the staff recommendation, which was seconded by Vice Chair Wilensky, and unanimously approved.

**ACTION: Certification of Electronic Health Networks for SSI Group and Health Data Exchange, are hereby APPROVED.**

#### **ITEM 5.**

**PRESENTATION:** *Prescription Drug Use and Expenditures: Trends Among Privately Insured Patients*

Chairman Salamon said that at today's meeting the Commission will release its first prescription drug spending report.

Dr. Claudia Schur, Principal Research Scientist at the National Opinion Research Center at the University of Chicago (NORC) and Linda Bartnyska, Chief, Cost and Quality Analysis presented the findings of the report. Dr. Schur indicated that the report tracks growth in utilization of prescription drugs overall, by age and gender, and also by type of insurance coverage in 2003. She said that prescription drug spending accounted for about 13 percent of total spending in 2003, with branded drugs accounting for about 55 percent of prescriptions and over 80 percent of the expense. The distribution of branded and generic did not change significantly from 2002 to 2004. Some conclusions indicated that the out-of-pocket share grew faster than the third-party portion. The findings show that mail-order prescriptions grew much faster than retail, but are still a small share of the insured market. Dr. Schur said that the Comprehensive Standard Health Benefit Plan (CSHBP) spending level is slightly above the large group private market, but lower than the public market and the out-of-pocket share is higher in the CSHBP than in the large group, but lower than the individual market. Dr. Schur said that 22 percent of nonelderly adults presented in the database were treated with a non-steroidal anti-inflammatory drug (NSAID) in 2003, and of these, 20 percent were prescribed a Cox-2 inhibitors. The growth of Cox-2 inhibitors was slowing in 2003 because alternatives are much less costly.

#### **ITEM 6.**

##### **PRESENTATION:** *Privately Insured Maryland Children with Conditions Related to Being Overweight*

Chairman Salamon said that the Center for Disease Control and Prevention has reported on the need to raise awareness about obesity in the American population. He noted that several Commissioners have requested that staff use their data sources to examine the obesity in children. Ben Steffen, Deputy Director, presented the findings. He said that the Centers for Disease Control reports 16 percent of children are overweight, up from about 10 percent in 1990. He said that physical inactivity, energy dense nutritional intake, sedentary child entertainment activities, lack of safe play environments, and direct-to-child advertising of food products are all contributing factors for obese children. Mr. Steffen said that the results from a description analysis indicate that about 2.5% of overweight children have other related health conditions, with hyperlipidemia being the most commonly reported. He said that the report is an initial analysis and the results need to be interpreted cautiously. The differences in spending exist even at early ages for children and increase as the children move through childhood. Mr. Steffen noted that this report has been shared with the Deputy Secretary for Public Health, the Maryland Academy of Pediatricians, and the University of Baltimore School of Business. Future studies will include the Medicaid population, and will include drugs and examine trends over time.

## **ITEM 7.**

### **LEGISLATIVE UPDATE**

Chairman Salamon talked about the highlights of the 2005 General Assembly Session. He said that SB 1014, Health Insurance-Small Group Market- Employed Individual, was adopted with amendments suggested by the Commission. He said that if the bill is signed by the Governor, it will take effect on October 1, 2005, which means that there can be no new sole-proprietor enrollees in the small group market.

Chairman Salamon said that HB 1017, as adopted, establishes a Joint Legislative Task Force on Small Group Market Health Insurance. He said that the Task Force will study and make recommendations regarding the small group health insurance market. He also said that the Commission supported the bill, as amended, stating that the Task Force will pursue the important task of identifying strategies to make health insurance coverage more available, premiums more affordable, and products more competitive. The Maryland Health Care Commission and the Maryland Insurance Administration will provide technical assistance to the Department of Legislative Services, who will staff the Task Force.

HB 627, Community Health Care Access and Safety Net Act of 2005, which was supported in concept by the Commission, was adopted. This bill creates a Joint Legislative Task Force on Universal Access to Quality and Affordable Health Care, in which the Executive Director of the MHCC, or designee, will serve as an ex officio member. The Chairman noted that all of the activities required of the MHCC under this bill could be accomplished using existing resources.

Chairman Salamon added that there were three bills considered during the session that involved the Commission's health planning and Certificate of Need Program. One of the bills would have removed obstetrics services as a category of medical services from the health planning statute. This bill, which was opposed by the Commission, was withdrawn from consideration and not voted on by either the Health and Government Operations or Finance Committees. HB 426, Hospitals – Emergency Department Services Satellite Locations, passed with amendments, creates a pilot project at Shady Grove Adventist Hospital for a new freestanding medical facility licensure category without hospital-level rates set by HSCRC. The Commission, in consultation with HSCRC, shall conduct a study using information from the pilot project and report its findings to the Senate Finance and House Health and Government Operations Committees on or before December 31, 2007. HB 1047, which establishes the Nursing Facility Conversion Grant Program, also passed. Chairman Salamon said that the Commission did not take a position on this bill, but expressed concern about the provisions governing the granting of temporary delicensure to nursing facility beds.

The Chairman said that SB 269, Health – Maryland Health Care Commission – Membership, was adopted with a number of amendments. He said that because the bill language references representation by particular counties with certain population characteristics that is too prescriptive and could limit the ability of the Governor to appoint the most qualified individuals to represent the State, he requested that the Governor veto the bill.

HB 452, Health Insurance –Treatment of Morbid Obesity, was adopted by the General Assembly. Chairman Salamon said that HB 462, as amended, requires the Commission and the Maryland Insurance Administration to staff the Task Force to Study Utilization Review of the Surgical Treatment of Morbid Obesity. The Commission is required to report the findings and recommendations to the General Assembly on or before December 1, 2007.

The Chairman said that SB 885, Maintenance Drug Prescriptions – Mail Order Purchase – Study, was adopted by the General Assembly. He said that this bill requires the Commission and the Maryland Insurance Administration, in consultation with the Maryland Board of Pharmacy, to study the utilization impact, cost savings, financial impact on retail pharmacies, and convenience of mail order service for purchasing a 90-day supply of maintenance drugs. He also said that the Commission and the MIA are required to report the findings of this study on or before December 31, 2005.

Chairman Salamon asked Commissioner Pollak to provide an update to the Commission on the Research Proposal Review Committee, which met on Tuesday, April 19<sup>th</sup>. Commissioner Pollak said that when the Commission adopted the Cardiac Surgery Chapter of the State Health Plan in 2004, it established a process for considering a research proposal for a pilot project to assess the safety and efficacy of providing elective angioplasty services for certain patient groups without on-site cardiac surgery backup. He said that the Commission appointed a Research Proposal Review Committee to provide advice on any research proposals submitted that would require a waiver. Commissioner Pollak said that the Committee, chaired by Dr. Thomas Ryan, has 24 members from within and outside Maryland. He said that the Committee discussed issues regarding a research proposal submitted by Dr. Thomas Aversano and colleagues. He also said that the Committee will submit a report to the Executive Director, who is required by the State Health Plan to consider the Committee's advice in preparing a recommendation to the Commission on the research proposal.

#### **ITEM 8.**

##### **Hearing and Meeting Schedule**

Chairman Salamon announced that the next meeting of the Commission would be on Thursday, May 19, 2005 at 4160 Patterson Avenue, Room 102, in Baltimore, Maryland at 1:00 p.m.

#### **ITEM 9.**

##### **Adjournment**

There being no further business, the meeting was adjourned at 3:15 p.m. upon motion of Commissioner Crofoot, which was seconded by Commissioner Row, and unanimously approved by the Commissioners.